



Legislative Audit Division

State of Montana

Report to the Legislature

August 2001

Information System Audit

System for the Enforcement and Recovery of Child Support (SEARCHS)

Department of Public Health and Human Services

This report provides information regarding application controls over the department's SEARCHS system, and access and change controls over the related processing environment. It contains recommendations for improving controls over the SEARCHS information system environment.

These recommendations include:

- ▶ **Resolving programming problems to ensure child support collections are assigned to the state for reimbursement of public assistance.**
- ▶ **Distributing excess reimbursed assistance to custodial parents.**
- ▶ **Validating social security numbers.**
- ▶ **Modifying support orders to include medical support.**
- ▶ **Reviewing bank account information.**

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INFORMATION SYSTEM AUDITS

Information System (IS) audits conducted by the Legislative Audit Division are designed to assess controls in an IS environment. IS controls provide assurance over the accuracy, reliability, and integrity of the information processed. From the audit work, a determination is made as to whether controls exist and are operating as designed. In performing the audit work, the audit staff uses audit standards set forth by the United States General Accounting Office.

Members of the IS audit staff hold degrees in disciplines appropriate to the audit process. Areas of expertise include business and public administration.

IS audits are performed as stand-alone audits of IS controls or in conjunction with financial-compliance and/or performance audits conducted by the office. These audits are done under the oversight of the Legislative Audit Committee which is a bicameral and bipartisan standing committee of the Montana Legislature. The committee consists of six members of the Senate and six members of the House of Representatives.

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August 2001

The Legislative Audit Committee
Of the Montana State Legislature:

This is the report of our Information System audit of controls relating to the System for the Enforcement and Recovery of Child Support (SEARCHS) at the Department of Public Health and Human Services. We reviewed application controls over the SEARCHS application and general controls relating to access and change controls. This report contains recommendations for improving controls related to the system and department procedures. Written responses to our audit recommendations are included in the back of the audit report.

We wish to express our appreciation to the department personnel for their cooperation and assistance throughout the audit.

Respectfully submitted,

(Signature on File)

Scott A. Seacat
Legislative Auditor

Legislative Audit Division

Information System Audit

System for the Enforcement and Recovery of Child Support (SEARCHS)

Department of Public Health and Human Services

Members of the audit staff involved in this audit were Debra Blossom,
Wendy Kittleson, and Ann Walchuk.

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Appointed and Administrative Officials

Department of Public Health and Human Services

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Amy Pfeifer, Acting Administrator, Child Support Enforcement
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Wayne Peterson, Chief, Administrative Services Bureau, Child
Support Enforcement Division

Chad Dexter, Chief, Field Services Bureau, Child Support
Enforcement Division.

Chapter I - Introduction and Background

Introduction

We conducted an information system audit of the Child Support Enforcement Division's (CSED) System for the Enforcement and Recovery of Child Support (SEARCHS). The purpose of the CSED of the Department of Public Health and Human Services, is to achieve financial support for children by establishing, enforcing, and increasing parental awareness of parental obligations. SEARCHS was implemented in June of 1993 to meet the Federal Family Support Act of 1988 requirement that all states have a federally certified automated child support system.

In 1996, Congress passed the Personal Responsibility and Work Responsibility Act (PRWORA) which contained significant child support legislation. In 1997, the Montana legislature passed amendments through SB374 to implement the requirements of PRWORA. Key provisions of the act include: employer reporting of new hires to state databases within 20 days of hire; submitting child support cases to a federal case registry; automating income withholding notices; and data matches with financial institutions.

SEARCHS receives information from a number of automated systems or departments including: TEAMS (The Economic Assistance Management System) for public assistance; CAPS (Child and Adult Protective Services); SABHRS (Statewide Accounting, Budgeting and Human Resource System); Department of Justice; Supreme Court; Department of Corrections; Department of Labor – Unemployment Insurance, Job Service, and Worker's Compensation; Department of Revenue – New Hire, State Income Tax, and Employer Wages; Fish, Wildlife, and Parks; Federal Case Registry; CSENet (Child Support and Enforcement Network); FBI (Federal Bureau of Investigation); Social Security Administration; IRS (Internal Revenue Service); Department of Defense; Veteran's Administration; and Selective Service.

There are five regional offices that process child support cases; Butte, Billings, Great Falls, Missoula, and the interstate office located in Helena. The state disbursement unit for child support collections is also located in Helena. The division had 191.75 budgeted full-time employees for Fiscal Year 2002.

Chapter I - Introduction and Background

As of January 31, 2001, the division had 38,671 open child support cases. Child support collections in the month of January 2001 totaled \$4,190,970, of which \$523,061 reimbursed the state for public assistance.

During the audit, we reviewed seven key areas. They are case initiation and locate, establishment, enforcement, financial management and payment processing, reporting, and access and change control procedures.

- ▶ **Case initiation and locate** involves the initial applicant information entry, a search for duplicate records, securing medical and financial support information, and location of the absent parent (AP).
- ▶ **Establishment** includes paternity establishment in cases of children born out of wedlock or when the paternity of a child is in question, and calculation of monthly support payments or entering court ordered child support obligations.
- ▶ **Enforcement** involves methods of trying to collect income from the AP such as income withholding, monthly billing, credit bureau reporting, state and federal tax refund offsets, state bad debt offsets, and unemployment benefits locate.
- ▶ **Financial management and payment processing** includes the processing of payments received, including, entry and posting of payments, check deposit at the Treasury Unit, distribution of payments, check issuance, and reconciliations.
- ▶ **Federal reports** are submitted indicating performance standards and results used to calculate program grant amounts. Performance reports indicate the number of cases, collections, distribution of cases, and aging.
- ▶ **Access security** to help ensure proper controls are in place to limit accessibility to SEARCHS case information to appropriate personnel.
- ▶ **Change control procedures** to help ensure changes to the SEARCHS programming and/or data are authorized and appropriate. According to a contract between the department and its consultant, TRW, contract programmers are responsible for maintaining the SEARCHS system and all programming

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changes. The department has established procedures to address system changes.

Audit Objectives

We conducted a preliminary review of the Child Support Enforcement program laws and regulations to gain an understanding of responsibilities, and determine the role the SEARCHS system plays in helping to administer the program. Our objective is to provide assurances over identified controls and processes, and to share our understanding of these processes with others having a need for this information. Application control testing reviewed input, processing, and output controls to ensure information is processed accurately and completely. We also evaluated access and change control procedures over SEARCHS.

Audit Scope and Methodology

The audit was conducted in accordance with generally accepted government auditing standards published by the United States General Accounting Office. We evaluated current controls using criteria established by the AICPA, and Control Objectives for Information and Related Technology (COBIT) over input, processing, and output, as well as electronic security.

We performed testing to ensure there are input controls in place to prevent duplicate participants, and identified applicable input edits. We reviewed critical ticklers, or reminders, that prompt specific case activity within federally required timeframes. We reviewed cases referred from the public assistance system to ensure that accounts are assigned and support orders contain provisions for medical support when appropriate.

We identified controls in place to ensure support orders are established in a timely manner, and enforcement techniques initiated when a case is in enforcement status. We reviewed department procedures established to ensure withholding orders are issued within two days of new hire reports.

We identified controls over payment posting and data input edits in place over payment posting. We verified there are controls in place to ensure payments are distributed within the 2-day requirement. We reviewed reconciliations being performed between SEARCHS and SABHRS, and between SEARCHS and TEAMS for monthly

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distributions. We verified that the algorithm will distribute payments according to federal regulations. We verified that there are controls in place for resolving prepaid child support claims to ensure money is distributed appropriately.

We reviewed the listing of child support collections that were not posted because of errors or missing information to ensure they are being resolved in a timely manner. We verified that access to confidential reports listing federal tax information is controlled.

We reviewed critical system tables to ensure information was accurate according to applicable regulations. We reviewed the access control structure for SEARCHS and access to critical screens. We reviewed programmer access to SEARCHS to ensure that it was appropriate, and identified change control procedures to ensure system changes are controlled.

Compliance

We tested compliance with certain state and federal regulations relating to administration of child support. We determined the department to be in compliance with tested regulations, except for the following:

- ▶ Collections in excess of public assistance reimbursement should be distributed to the custodial parent. (Recommendation #1)
- ▶ Assigned accounts are not setup on SEARCHS for reimbursement of public assistance. (Recommendation #1)
- ▶ Support Orders for public assistance recipients are not being modified to include medical support. (Recommendation #3)

Chapter II - Application Controls

TEAMS Interface

Child support collected on behalf of an individual receiving public assistance is “assigned” or paid to the state for reimbursement of that assistance. According to federal regulations, by signing the application for public assistance, the applicant has automatically assigned and transferred all rights to child support to the State of Montana, Department of Public Health and Human Services. The CSED is responsible for setting up assigned accounts on the SEARCHS system and pursuing the absent parent for child support. CSED is also responsible for notifying the public assistance caseworker if the applicant is not cooperating, and flagging the applicant on the SEARCHS system using a non-cooperation code.

During the audit, we reviewed public assistance cases referred in the month of February 2001, to ensure collections are appropriately assigned to the state. We determined the automated interface between SEARCHS and TEAMS, the public assistance system, is not working accurately. Some cases referred by TEAMS are not being received by SEARCHS, non-cooperation codes are not being interfaced back to TEAMS, and as a result, caseworkers are not performing necessary actions in the required timeframes.

If child support collections are received and an assigned account is not setup on SEARCHS, the state will not be reimbursed for public assistance. Consequently, the custodial parent incorrectly receives payment for both public assistance and child support.

Distributing Excess Collections

We also determined the monthly public assistance reimbursement amount does not reconcile between SEARCHS and the public assistance system. Each month, the difference between the child support collections and public assistance is calculated by SEARCHS, and any amount of collections exceeding the public assistance amount is to be paid to the custodial parent. The division has not been paying parents receiving public assistance the excess collections due to the unreconciled difference.

According to PRWORA, any child support retained over the reimbursed assistance amount is owed to the custodial parent. It is the CSED’s fiduciary responsibility toward the obligor and obligee

Chapter II - Application Controls

in their role as a collector of unpaid child support to distribute money collected promptly.

As of May 5, 2001, a system-generated report identifies a total of \$813,336 potentially owed to custodial parents. We identified a case where the payment has been outstanding since 1993, and another custodial parent showing a balance of \$4,692.

Department personnel stated they are aware the interface is not working accurately, but have not been able to isolate the problems with the interface because they are focusing programming efforts on PRWORA certification. The division is currently working on reconciling the total amount due on accounts or determining whether the money belongs to the state. Personnel indicated they have had problems determining the total dollar amount of public assistance because some of the records were purged from the TEAMS system. Once CSED is confident money is owed, personnel said they intend to distribute the payments.

Recommendation #1

We recommend the division:

- A. Resolve programming problems to ensure that data interfaces completely and accurately.**
- B. Reconcile current open TEAMS cases with SEARCHS cases to ensure that assigned cases are set up appropriately.**
- C. Distribute excess reimbursed public assistance amounts to custodial parents.**

Invalid or Missing Social Security Numbers

Social security numbers (SSN) are used for the majority of enforcement techniques to identify sources of income that could be collected for the custodial parent. For example, SEARCHS interfaces with state and federal new hire systems to identify new sources of income. It is a federal regulation to issue a withholding order within 2 days of a new hire referral. The new hire referral is based on an exact match between name and social security number. During the audit we identified 807 absent parents with a current, open child support case having invalid SSNs on the system. These

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numbers are invalid because the system shows either a blank or zero in the SSN-designated field, or the first three numbers of the SSN have not been issued to a state by the Social Security Administration. If an invalid social security number is used there will never be a match with resource information. As a result, income will not be collected and paid to the custodial parent.

During the audit, we identified two people that are assigned more than one participant ID. Payments are distributed based on the participant ID. If an absent parent has multiple participant ID's the payments will not be distributed accurately.

Department personnel indicated they were in negotiations with the Social Security Administration in 2000 to update their agreement and social security number interface capabilities, but have not worked on the agreement further because they have been working on certification requirements. However, the department already interfaces with Social Security Administration for social security numbers on its public assistance system.

Recommendation #2

We recommend the division:

- A. Correct invalid or missing social security numbers for absent parents currently on the SEARCHS system, and**
- B. Establish procedures to ensure that absent parent information includes a valid social security number.**

Modification of Support Orders

While caseworkers are reviewing documentation to establish a case, they review the support order in effect. A medical insurance indicator is entered on the SEARCHS system indicating any medical support required. They also verify that it is a Montana order because they do not have jurisdiction over orders issued in another state.

During the audit, we identified 433 child support cases with a Montana support order, where each case is an open assigned account for public assistance reimbursement; however, the order omitted

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medical support. As a result, additional expenses for medical payments may be incurred through Medicaid.

According to federal regulations, the division must attempt to secure medical support information, and establish and enforce medical support obligations for all individuals. If the child does not have satisfactory health insurance other than Medicaid, federal regulations require the agency to petition the court or administrative authority to include medical support in all new or modified orders of support. CSED policy states that they must “Ensure that all support orders enforced by the CSED include a provision for the health care coverage of the children”.

Division personnel stated that they have not been modifying support orders because of a ruling by the Supreme Court of Montana enjoining CSED from modifying support orders issued by a Montana District Court. However, nothing in this ruling prevents them from petitioning the District Court to modify the order to include medical support, in accordance with federal law.

During the 57th legislative session the department was granted the authority to administratively modify orders effective July 1, 2001.

Recommendation #3

We recommend the division ensure medical support obligations are included in Montana support orders for public assistance recipients, in accordance with federal regulations.

Inaccurate Bank Account Number

Custodial parents can authorize CSED to deposit money collected for child support directly into their checking or savings account. A direct deposit authorization form must include their name, social security number, a copy of a voided check or deposit slip, and an authorization signature. The authorization forms are filed in the CSED office. The account information is entered on the SEARCHS system. A test transaction is sent initially to ensure that the bank account number is a valid account number, however, there is no review of the input to ensure the accuracy of the account number.

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An account number can be valid, and still be inaccurately input as an individual's account.

During the audit, we reviewed the system information for duplicate bank account numbers to determine whether a valid account was entered for more than one individual, and we identified two duplicates where the bank account numbers were incorrectly entered for the wrong custodial parent. The bank account number was valid, but belonged to another individual on the system.

We notified CSED personnel who promptly corrected the information. One payment of \$310 was recalled from the inaccurate account and reissued to the appropriate person. The department ensured no further payments had processed to the wrong parent. Department personnel could not determine why the bank account information had been changed, and could not find an authorization form on file for the parent. The critical nature of bank account information combined with the fact that one person is responsible for maintaining the information, should require a level of review.

Recommendation #4

We recommend the division establish review procedures to ensure system bank account information is input accurately based on supporting documentation.

Resolution of Payment Exceptions

Child support collections are recorded daily to the CSED collection system. This system feeds the payment information to the SEARCHS system. A report listing all payment exceptions is generated daily. Examples of exceptions include warrants less than \$10.00; unknown addresses; payments requiring manual intervention; no open account associated with participant making payment; and unknown participant making the payment. Each of the adjusters is assigned a region to review exceptions and perform adjustments. Most of the exceptions have to be reviewed by caseworkers, who inform the adjuster of the needed change prior to releasing the payment. Until payment exceptions are resolved by CSED the custodial parent does not receive their entitled support.

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We reviewed the listing of outstanding payment exceptions on March 21, 2001 and identified 490 payment exceptions that had been unresolved for more than two weeks, totaling \$40,744. Two of the payments have been on the exception report since May of 1993. There were exceptions totaling \$8,159 where the absent parent making the payment is not recognized by the SEARCHS system.

Federal law requires the state to distribute all amounts collected within two business days after receipt if sufficient information identifying the payee is provided. However, there are no policies or procedures outlining the division's responsibility for resolving payment exceptions in a timely manner. The division should consider its fiduciary responsibility, and establish procedures to promptly resolve payment exceptions.

Recommendation #5

We recommend the division establish procedures for prompt resolution and distribution of child support payment exceptions.

Unreconciled Differences

Division personnel perform daily reconciliations to ensure:

- ▶ The child support receipts, which are primarily checks and Electronic Funds Transfer (EFT) transactions, compare to the amount posted to the payment system;
- ▶ The amount posted to the payment system completely interfaced to the SEARCHS system; and
- ▶ The SEARCHS system completely interfaced to SABHRS.

A monthly reconciliation is also performed, comparing the amount that is distributed for reimbursement for public assistance. We identified the following reconciliation discrepancies:

- ▶ Division personnel keep a manual listing of the daily cash receipts collected on assigned accounts, for reimbursement of public assistance. At month-end, the reimbursement is distributed to the public assistance programs. For the month of March 2001, the daily receipts on assigned accounts totaled \$699,558, but the distribution report generated by SEARCHS indicated the amount to be distributed was \$738,496. As a result

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the division distributed \$38,937 more than the daily collection reports indicate it received for the month.

- ▶ Based on the daily cash reconciliations, the undistributed cash balance does not reconcile between SABHRS and SEARCHS. As of March 2001, the SEARCHS undistributed cash balance was \$937,484 and the SABHRS undistributed cash balance amount was \$859,449, a difference of \$78,035.

Although department personnel are performing periodic reconciliations, discrepancies should be identified and resolved in a timely manner to ensure accountability and adequacy of fund assets to cover child support payments due to custodial parents.

Division personnel are currently working on identifying why the difference in public assistance reimbursements occurred. Personnel indicated the undistributed cash balance difference occurred because they never had a report to reconcile against. Personnel stated that once the difference no longer fluctuates, they will make a one-time adjustment.

Recommendation #6

We recommend the division resolve differences identified in monthly distribution amounts for public assistance reimbursement and ensure SEARCHS reconciles with SABHRS.

Access Controls

Access controls provide electronic safeguards designed to protect computer system resources, and limit accessibility to confidential information.

SEARCHS is a mainframe application requiring multiple layers of security. The mainframe's security software establishes user groups. Each of the over 300 SEARCHS screens is associated with a user group. In addition to the mainframe security software, SEARCHS uses security tables to restrict access. However, for those screens without a security table setup, system hard-coded programming further restricts SEARCHS security.

We reviewed users with the ability to modify data in the SEARCHS system and identified the following:

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- ▶ Nineteen contract programmers have unrestricted access to the production programs and data, including access to make adjustments to payments and accounts. Industry standards warn that no one should have incompatible duties that would permit the perpetration and concealment of material errors and irregularities. Due to the high degree of technical knowledge, programmers should not have access to production programs and files. Their programming activities should be restricted to test programs and files. Once the programming changes have been tested and approved on the test system, department personnel should be responsible for transferring the changes to production.
- ▶ We identified 57 users with access to SEARCHS that are either no longer employed with the department or no longer require access to the database. Although they have access to the SEARCHS layer of security, they do not have access to the mainframe level of security so data could not be modified. If the employee's mainframe access was restored, the SEARCHS system access is also restored, without department notification.
- ▶ We identified 36 of 47 users with unnecessary access to perform adjustments according to their required job duties. Adjustments are a critical function within SEARCHS that should be restricted since adjustments can include the amount of cash collected, account balances, and monthly obligations.

Proper access controls aid in the prevention and detection of deliberate and accidental errors caused by improper use or manipulation of data, programs, and/or computer resources. Limited access based on job duties prevents users from inadvertently or willingly changing data unrelated to their job.

During the audit, we interviewed numerous department personnel from within and external to the CSED, regarding the SEARCHS security structure. No one was knowledgeable of how security in SEARCHS is controlled including personnel responsible for determining the level of access a user is assigned. Appropriate division personnel should obtain an understanding of SEARCHS security architecture and periodically review employee access for appropriateness.

Recommendation #7

We recommend the division:

- A. Obtain an understanding of SEARCHS security architecture.**
- B. Remove programmer access to production programs and data.**
- C. Deactivate terminated employee IDs.**
- D. Establish procedures to periodically review access to SEARCHS.**

Timely Review of Case Information

A monthly caseload report is issued to each of the caseworkers and the regional supervisors listing each case that is assigned to them. This report lists the participants in the case, the status of the case and the date that the case was last “touched” or reviewed. Because information changes, it is important to continually review case files regarding locate, paternity, or enforcement information. The system provides a date field that is to be updated after the caseworker performs the review. We reviewed all open cases on the SEARCHS system as of March 31, 2001, and identified 10,037 cases where the date field indicated the case had not been reviewed in the last 90 days. The system indicates 217 had not been reviewed in over a year, and one case that had not been reviewed since 1995.

According to department policy, CSED requires each case must be “touched” at least once every 90 days. Touching a case is defined as reviewing, and if appropriate, taking action to ensure federal and state compliance. Policy further states, upon completion, the date field must be updated.

If cases are not reviewed, necessary actions may not be completed and the case may not be in compliance with applicable federal regulations.

Division personnel stated they have not enforced the policy because caseworkers can update the date indicating that a review was

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completed when no action has been taken. Personnel stated they rely on the department's annual internal review to identify instances where appropriate actions have not been taken on cases.

Recommendation #8

We recommend the division either enforce its policy to ensure child support cases are reviewed every 90 days or modify the policy to ensure that appropriate actions are completed.

Resolution of Case Ticklers

A tickler is an indicator, or a reminder, that an action is necessary on a child support case. Ticklers are generated based on events occurring in a case, or can be created manually by the caseworker. The SEARCHS ticklers were created to help caseworkers manage their caseloads more effectively, and to ensure that required actions are completed in a timely manner according to applicable federal policies. A tickler is considered outstanding when the dated completion has expired.

During the audit, we determined 14 of 20 caseworkers reviewed had outstanding ticklers, six caseworkers had 50 or more outstanding ticklers, and one caseworker had 266 outstanding ticklers.

According to department policy, CSED caseworkers must review and reconcile the ticklers on a daily basis. Policy further states, it is essential that ticklers be resolved immediately. Ticklers that are unresolved hinder the achievement of the CSED's performance and collection goals. Unresolved ticklers could result in non-compliance with federal policy regarding completion within required time limits.

According to division personnel, regional managers are supposed to enforce the tickler policy. The list of outstanding ticklers is supposed to be reviewed and evaluated by the regional manager at the time of each caseworker's performance appraisal. Division personnel were unaware that the policy was not being enforced and plan to inform managers of their responsibility.

Recommendation #9

We recommend the division enforce policies regarding review and resolution of case ticklers and continually monitor caseload ticklers.

Department Response

DEPARTMENT OF
PUBLIC HEALTH AND HUMAN SERVICES

AUG 2 2001



JUDY MARTZ
GOVERNOR

GAIL GRAY, Ed.D.
DIRECTOR

STATE OF MONTANA

July 31, 2001

Mr. Scott A. Seacat
Legislative Auditor
Office of the Legislative Auditor
State Capitol, Room 160
Helena, Montana 59620-1705

Dear Mr. Seacat:

Attached are the Department of Public Health and Human Services responses to the recommendations made in the information systems audit of the System for the Enforcement and Recovery of Child Support (SEARCHS).

We appreciate the effort that has gone into your examination of the functioning of SEARCHS and would like to thank your staff for their efforts in identifying areas where we can improve the operation of the SEARCHS system.

Please contact me if you have questions.

Sincerely,

A handwritten signature in cursive script that reads "Gail Gray".

Gail Gray
Director

Cc Amy Pfeifer
Marie Matthews

Recommendation #1

We recommend the division:

- A. Resolve programming problems to ensure that data interfaces completely and accurately.
- B. Reconcile current open TEAMS cases with SEARCHS cases to ensure that assigned cases are set up appropriately.
- C. Distribute excess reimbursed public assistance amounts to custodial parents.

Concur.

The Department continues work on the accuracy and completeness of TEAMS/SEARCHS interfaced data. Procedures are in place to monitor and correct interface discrepancies until long term solutions are developed. The department has completed a review of all public assistance cases identified as "referred" by TEAMS and worked with TRW to ensure the electronic referral was received by SEARCHS. The department is currently reviewing a report of TEAMS Medicaid cases to ensure all appropriate referrals are made to SEARCHS.

The Department continues to work diligently to identify and pay all excess reimbursed public assistance amounts to custodial parents. Progress has been slowed by significant data processing issues and programming resource constraints but the department commits to reconcile the "potentially owed" report and refund all appropriate entities.

Recommendation #2

We recommend the division:

- A. Correct invalid or missing social security numbers for absent parents currently on the SEARCHS system, and
- B. Establish procedures to ensure that absent parent information includes a valid social security number.

Partially Concur.

While the CSED strives to validate 100% of these SSNs, this is a difficult, if not impossible, task. On average, the CSED opens 575 new cases each month. Often, the applicant will not know the SSN of the absent parent and, therefore, will be unable to provide this information to the CSED on the application. It would not be justifiable or allowable for the CSED to deny child support services simply because the applicant does not know the absent parent's SSN. CSED will open the case on SEARCHS, but leave the SSN information blank. After loading the case, the CSED will take action to find the SSN through several steps. Typically, with the absent parent's name and date of birth, the CSED will be able to successfully identify the SSN by accessing its locate tools through a name search. There are, however, instances when the CSED does not know the name, correct or full name, or date of birth of the absent parent. In circumstances where the name of the absent parent is unknown, the CSED will conduct an in-person interview with the applicant in an effort to gather additional locate information for the case. Once the SSN is found, it will be loaded on system. If the CSED cannot locate the absent parent, after regular locate attempts over a three-year period, the CSED will contact the applicant to state its intention to close the case.

For purposes of uniformity in identifying cases with unknown SSNs, CSED policy will be provided to staff requiring the discontinuance of placing zeros or "999-99-9999" into the SSN field for the absent parent. If the SSN cannot be validated, staff will be instructed to leave this field blank.

Recommendation #3

We recommend the division ensure medical support obligations are included in Montana support orders for public assistance recipients, in accordance with federal regulations.

Concur.

Presently, all child support orders administratively established by the CSED contain a medical support provision.

However, not all support orders issued by Montana District Courts contain a Medical support provision. During the 2001 legislative session, the CSED pursued legislation amending our authority to administratively modify district court child support orders, in compliance with the Seubert v. Seubert decision of the Montana Supreme Court, issued August 31, 2000 and clarified November 30, 2000. The legislation was effective July 1, 2001. Based on this legislation, the CSED has recently implemented procedures to, again, pursue the review and modification of child support orders issued by a Montana district court. With this ability, the CSED will be able to have medical support obligations incorporated into orders through the review and modification process.

Recommendation #4

We recommend the division establish review procedures to ensure system bank account information is input accurately based on supporting documentation.

Concur.

The Department agrees with the recommendation. The CSED will develop additional procedures to ensure bank account information is input accurately based on supporting documentation.

Recommendation #5

We recommend the division establish procedures for prompt resolution and distribution of child support payment exceptions.

Concur.

The CSED Fiscal Operations Section has begun actively investigating and responding to all payments on the exceptions reports. Policies and procedures will be developed to address all types of situations identified via the reviews, including issuing a problem report should SEARCHS programming be necessary.

Response to Recommendation #6

We recommend the division resolve differences identified in monthly distribution amounts for public assistance reimbursement and ensure SEARCHS reconciles with SABHRS.

Concur.

Two additional reports have been requested to assist in the CSED reconciliation of SEARCHS cash with SABHRS cash. Once programming resources are available, the report will be produced and CSED will be able to continue the analysis.

Recommendation #7

We recommend the division:

- A. Obtain an understanding of SEARCHS security architecture.
- B. Remove programmer access to production data.
- C. Deactivate terminated employee ID's.
- D. Establish procedures to periodically review access to SEARCHS.

Partially Concur.

We believe that all documentation of the security architecture exists and are moving forward to accumulate the information in one location. Should the project determine additional training is needed it will be provided to staff as necessary. The department will develop procedures to ensure deactivation of employee access upon termination of employment and to periodically review access to SEARCHS.

Removing programmer access to the production database may not be a viable option for the department. We commit to looking at the issue and choosing a course of action that produces the best results for the program and it's clients.

Recommendation #8

We recommend the division either enforce its policy to ensure child support cases are reviewed every 90 days or modify the policy to ensure that appropriate actions are completed.

Concur.

The CSED will retain its current policy to review each of its cases every 90 days. Clarification on the use of the caseload report and the date field has been provided to regional staff. CSED Central Office will periodically review a random sample of selected cases from the division-wide caseload report to ensure compliance with the policy.

Recommendation #9

We recommend the division enforce policies regarding review and resolution of case ticklers and continually monitor caseload ticklers.

Concur.

CSED will reiterate to staff and management the importance of addressing ticklers in a timely fashion in the next CSED Management Memo. CSED will continue to rely on findings from its annual Self-Assessment Review to monitor compliance of casework time frames defined in federal regulations.